

WATERMARK

FEDERAL EMERGENCY MANAGEMENT AGENCY

NFIP Launches Website

Just in time to respond to the many requests for information about the National Flood Insurance Program (NFIP) resulting from the El Niño phenomena, the Federal Insurance Administration (FIA) launched its website this Fall. Like the age old adage about good real estate, the NFIP website has one of the best locations in cyberspace. "We are fortunate to be a part of the award-winning Federal Emergency Management Agency (FEMA) Website," said FIA Marketing Division Chief Harriette Kinberg. The FEMA website has hosted more than 1.7 million visitors since its implementation. It has received so many awards that an entire Homepage has been devoted to these accolades.

The NFIP website can be accessed through the FEMA Homepage (<http://www.fema.gov>) by clicking on the NFIP icon. Frequent NFIP users may set their Web Browser to <http://www.fema.gov/nfip> for direct access to the NFIP Homepage. According to FIA's Amie Ware, "We designed this site to make information about the NFIP available to both the general public and the many NFIP Stakeholders who need more detailed information. Being on the FEMA Homepage makes it possible to provide valuable NFIP information to the millions of people who access the FEMA website looking for ways to find protection from disasters."

A special Customer Path provides information to the general public about everything from cost to who can buy, as well



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FEMA Unveils Project Impact: Building A Disaster Resistant Community

James Lee Witt
Director
Federal Emergency Management Agency

On November 6, the Federal Emergency Management Agency (FEMA) launched Project Impact: Building a Disaster Resistant Community, an initiative designed to challenge the country to undertake actions that protect families, businesses and communities by reducing the effects of natural disasters.

Project Impact includes a national awareness campaign, the selection of pilot communities that demonstrate the benefits of hazard mitigation through a partnership approach, and an outreach effort to businesses and communities using a new guidebook that offers a formula for a community or business to follow to become disaster resistant.

FEMA unveiled Project Impact at a kick-off ceremony in Deerfield Beach, Florida, one of seven communities around the country that have been designated as Project Impact pilot communities. FEMA has also held Project Impact kick-off events in Pascagoula, Mississippi and in Wilmington, North Carolina. Simi-

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Building a Disaster Resistant Community
**PROJECT
IMPACT**

Message from the Acting Executive Administrator



Dear *Watermark* Reader,

We are happy to inform you that President Clinton's nominee to become the next Administrator of the Federal Insurance Administration was confirmed on Wednesday, November 5, 1997. Speaking before the Senate Committee on Banking, Housing and Urban Affairs, Jo Ann Jay Howard informed the members that she is looking forward to ensuring the continued growth of the National Flood Insurance Program as an important vehicle for assisting citizens in confronting the catastrophe of flooding.

Ms. Howard is currently the president of Jo Ann Howard & Associates, P.C., a law firm specializing in handling the legal and administrative aspects of insurance insolvencies. Previously, she was an associate in the Clark, Thomas, Winters & Newton Law Firm in Austin and the Texarkana law firm of Young, Patton and Folsom. In 1989, she was appointed as a board member of the State Board of Insurance, and, as a member of the National Association of

Insurance Commissioners, served as chair of the Federal Legislation Working Group and Vice Chair of the State and Federal Health Insurance Legislative Policy Task Force.

A native of Texas, Ms. Howard earned her B.S. in Education from the Abilene Christian University and an M.A. in Public Administration from East Texas State University. She earned her J.D. from University of Texas, Austin.

Ms. Howard currently serves as Vice Chair of the American Bar Association's Public Regulation of Insurance Law Committee and is on the Advisory Board of the Texas Center for Legal Ethics and Professionalism. She is a charter member of the Society of Insurance Receivers.

I have had the opportunity to brief her on various aspects of the program, and she is especially interested in meeting with all of the different stakeholders who make the program run and understanding their interests and concerns.

We look forward to her joining us in the very near future.

Sincerely,



Edward T. Pasterick

Acting Executive Administrator

NFIP Launches Website

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as how to purchase flood insurance. There is even a map that tells customers how to find one of the insurance companies in their state participating in the Write Your Own Program. The site also includes the NFIP toll-free number for people who would like to be referred to an agent in their area who writes flood insurance. The agents we refer callers to are those who have signed up for the leads program.

The Agent Path and Lender Path provide a wealth of information for the two major industry groups that have forged a partnership with the Federal Insurance Administration to implement the National Flood Insurance Program. The Agent Path includes the Flood Insurance Manual, Underwriting Bulletins, NFIP Agent Workshop schedules, and the latest


about NFIP changes and issues. The Lender Path includes the National Flood Insurance Reform Act of 1994, Lender Seminar schedules, the Mandatory Purchase Guidelines, and a collection of fact sheets and brochures for lenders.

The NFIP website also provides an area just for the State and Local Community Officials integral to the functioning of the mitigation efforts. This area includes the Community Status Book, Flood Map Information, How To Read a FIRM, and a list of fact sheets and brochures for communities to share with local groups.

What's New contains even more information about the program! This area displays the latest issue of *Watermark*, as well as selected back issues. It also includes a frequently updated calendar with the primary meetings of organizations related to the NFIP.

Do you want current statistics about the NFIP? You will be able to easily find details about policy growth, claims payments, and marketing and advertising campaign updates, plus much more.

For individual flooding events, agents, companies and adjusters will be able to find the locations and phone numbers for NFIP Flood Response Offices and Claims Coordinating Offices set up by FIA.

This is only the beginning. We are eager to hear from everyone about how they are using our Website and how we can improve it. An email feedback system is available for users to provide comments. The website also includes a sign-up area for those who want to be placed on the NFIP priority mailing list. If you have friends who would like to receive *Watermark*, tell them to go to the NFIP website and sign up. 

FEMA Unveils Project Impact: Building A Disaster Resistant Community

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lar events are scheduled in January and February in the remaining four pilot communities: Oakland, California; Seattle, Washington; Tucker and Randolph counties, West Virginia; and Allegany County, Maryland.

To assist other communities in adapting this new approach to their own terrain, FEMA has produced a Project Impact guidebook that offers a formula for communities to become disaster resistant. Copies of the guidebook can be obtained from the FEMA Distribution Center (*see page 6*) at 1-800-480-2520, or fax your request to 1-800-497-6378, or the guidebook can be viewed on FEMA's Website at: <http://www.fema.gov/about/impact.htm>.

Mitigation is a local concern that can best be addressed through a local partnership involving government, business and private citizens. The Project Impact initiative involves an unprecedented mix of groups – elected officials, federal and state disaster personnel, representatives of the local business, labor and environmental communities and citizens coming together to take steps that will help their community – and the nation –

design and implement a common-sense plan for their community.

In Deerfield Beach, for example, Home Depot produced a display on disaster relief and will offer Product Knowledge courses for local homeowners on steps they can take to protect against future storm damage. In Pascagoula, Merchants & Marine Bank is offering a special home improvement program through FHA Title I loans that will provide below market rates for homeowners to use for retrofit work such as workable shutters and tie downs.

The Project Impact partnerships are especially important because America's need for disaster relief – and disaster preparation – is on the rise. Since 1993, FEMA has responded to disasters in all 50 states, at a cost of \$14 billion in relief. This figure does

not include direct and indirect costs to state and local governments, insurance companies and the business sector.

I encourage all NFIP stakeholders to participate in Project Impact. Take action to enable your employees and your communities to become disaster resistant. The activities described here, and in the sidebar about Michael Baker Corporation "New Baker Employee Benefit Supports FEMA Initiative," can serve as models for innovative approaches you can take.

The goal of Project Impact is to change the way America prepares for and prevents disasters. We are confident that the cooperative, common sense preparation that is the basis of Project Impact will save lives, homes, jobs and businesses around the country from future disasters. **W**

New Baker Employee Benefit Supports FEMA Initiative

The Michael Baker Corporation has chosen to take an active role in FEMA's Public/Private Partnership initiative by establishing a Disaster Risk Awareness Program for its employees. The program utilizes an independent entity to certify whether an employee's principle residence is located in or near a Special Flood Hazard Area (SFHA) at no cost to the employees.

The Corporation will reimburse those employees whose residences are determined to be in a floodplain and have purchased a flood insurance policy, 10 percent (or \$50, whichever is greater for the first years premium or the most recent premium paid). Baker staff who are skilled in flood hazard identification are asked to help other employees identify flood hazard mitigation measures that will protect their property.

Editor's Note

Watermark is a publication intended primarily for insurance agents who write flood insurance, but it contains information about the NFIP that may be helpful to other groups involved with the program. We want to make sure that we are providing information that meets your needs. We welcome your comments and suggestions, as well as submissions for articles and departments. Additionally, we encourage you to reproduce articles and departments contained in the **Watermark** and include them in your own newsletter or other communication.

Send your questions, comments, suggestions, and submissions to Amie Coxon Ware:

Federal Emergency Management Agency
Federal Insurance Administration • Room 441
500 C Street, SW
Washington, DC 20472
Fax (202) 646-3689


Members of Congress with questions about the National Flood Insurance Program, please write to:

Federal Emergency Management Agency
Office of Congressional Affairs • Room 820
500 C Street, SW
Washington, DC 20472

Rating Software Makes it Easier to Write Flood Insurance

While FIA has been working with the insurance industry to simplify the program, many companies have already developed software that makes the existing policy very easy for insurance agents to write.

A wide variety of rating software programs are available to help write Federal flood insurance. There are fast, easy-to-use programs for calculating and quoting flood insurance premiums. There are programs for rating and generating Standard, Residential Condominium Building Association, and Preferred Risk policies, as well as for printing applications, endorsements, and cancellations. Some programs will automatically select the proper rates and rules based on the policy effective date. Other programs maintain community files for all 50 states and participating U.S. Territories, and still others automatically determine Pre- or Post-FIRM (Flood Insurance Rate Map) status and will automatically calculate Community Rating System (CRS) discounts and community probation surcharges. Some companies now offer all of these functions and more in a single program.

Rating software programs provide insurance producers, WYO companies, and mortgage companies with an easier and quicker method of processing Federal flood insurance. The Federal Insurance Administration maintains a list (without any endorsements) of the companies and vendors who provide Flood Insurance Rating Software. To get a copy of this list call the FEMA Fax at (202) 646-FEMA and request document number 23014. 

AR Zone to be in Effect on July 6, 1998

The new AR zone will be effective on July 16, 1998 in 14 communities in Los Angeles, California. The current Los Angeles River levee system was found by the U.S. Army Corps of Engineers to be inadequate to protect the area if significant flooding occurs. The flood hazard designated under Zone AR identifies areas where flood control systems no longer provide adequate flood protection.

The 14 affected communities include Bellflower, Carson, Compton, Downey, the City of Los Angeles, Los Angeles County, Lynwood, Montebello, Gardena, Lakewood, Long Beach, Paramount, Pico Rivera, and South Gate. Parts of these communities will be included in the newly-designated high risk zones, AR Zones, until improvements are made to the Los Angeles River levee system.

AR zones are temporary SFHA designations that are in place for up to a maximum restoration period of 10 years for federally funded restoration projects and up to 5 years for non-federally funded restoration projects, at the end of which the levee system must be restored. If the levee system is restored and approved as providing base flood protection, then the AR Zone designation will be removed, and the protected areas will be remapped as being outside the SFHA. If the levee system does not meet FEMA's standards of providing base flood protection by the end of the restoration period, then the AR Zone designation will be converted to another SFHA designation, and the flood insurance purchase requirement will continue to apply in the unprotected areas.

Background

In 1980, California residents along the Los Angeles River experienced near-catastrophic flooding. Once the flood waters receded, the U.S. Army Corps of Engineers made an extensive study of the flood protection system afforded by the Los Angeles Drainage Area. The study revealed that urban development had significantly reduced the ability of the Los Angeles River area to absorb rainwater and runoff, thus increasing the base flood elevation for this region. The U.S. Army Corps of Engineers determined that the Los Angeles River, along the lower end, and the levee sections along the Rio Hondo River provided protection closer to a 50-year level instead of the 100-year level for which it was originally designed. The Corps has estimated that if a 100-year flooding event were to occur within the affected communities, projected damage would exceed \$2.25 billion.

Federal Flood Insurance Requirement

Flood insurance is available in communities that participate in the NFIP. The Federal flood insurance purchase requirement applies to all SFHAs, including AR Zones. This means that flood insurance coverage is required if a home or business is located in an AR Zone and the loan or mortgage on the structure is written by a Federally regulated lender. Flood insurance is required when:

- A lender reviews an existing mortgage and notifies the borrower that flood insurance is required.
- One obtains a new home or business loan.
- One refinances an existing mortgage.
- A lender chooses to invoke the flood insurance requirement on structures located in a SFHA.

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AR Zone to be in Effect by Year End

continued from page 4

AR Zone Questions and Answers

Q. Will the AR Zone designation increase flood insurance rates?

A. If flood insurance coverage is currently carried and maintained, the new AR Zone designation will not increase your rates.

Q. Would it be beneficial to purchase flood insurance before the NFIP maps showing the AR Zone designation take effect?

A. A lower, non-SFHA insurance rate can be retained if: (1) the structure was built before the initial release date of the NFIP map for the community; (2) the policyholder has retained continuous coverage at the time the AR Zone takes effect; and (3) the policyholder continues to maintain uninterrupted coverage.

Q. Does the AR Zone designation carry insurance rate benefits?

A. Flood insurance rates for new construction in this zone are reduced to reflect the temporary nature of the flood risk. This means that, for new construction in AR Zones, the rates will be lower than if the new construction were in other SFHAs.

Q. Will the AR Zone rate apply to new policies?

A. The AR Zone rate will apply to all new policies in AR Zone designations. It will also apply if a policy was purchased before the AR Zone designation took effect and this coverage was not continued at any time after the AR Zone designation takes effect.

(Note: For structures built after the date of the initial NFIP map for the community, the flood insurance rate will be the same whether coverage is purchased before or after the AR Zone designation takes effect.)

Q. When will the first maps with AR zones be published?

A. The final rule concerning AR Zones was published in the Federal Register, October 27, 1997. Preliminary maps will be released 45 days after. How-

ever, Congress has a 30-day period within the 45-days to reject or alter the regulations. The FIRMs will become effective on July 6, 1998.

The AR Zone designation delineates special flood hazard areas on NFIP Flood Insurance Rate Maps and serves as a means to recognize that a flood protection system is being restored to provide protection during the base flood event. It also reduces the flood insurance costs and elevation requirements for properties that will be exposed to an increased risk of flooding during the restoration period.

For more information or to find out how AR Zone regulations affect you or your community, special training has been scheduled for the following California cities:

ALHAMBRA

Mar. 3, 1998

Department of Public Works

LONG BEACH

Mar. 5, 1998

Holiday Inn Long Beach Airport



North Dakota Summit Reveals That More Training is Needed

The words: "It can't happen to me" echoed throughout North and South Dakota and Minnesota in March 1997, even after predictions of major flooding from the melting of record-breaking snow were made. Why didn't more people believe that it could happen to them? That's what Glenn Pomeroy, Insurance Commissioner for North Dakota and Vice President of the National Association of Insurance Commissioners, set to find out at a day and a half summit of leaders from various interest groups. The purpose of the summit was to learn from the experience in Grand Forks, and to share these lessons with other communities so that they can avoid future uninsured flood disasters.

Approximately 60 individuals representing insurance agents, lenders, insurers, government officials, and consumers took part in the summit, which was held in August 1997 at the University of North Dakota. It was

sponsored by Glenn Pomeroy, Insurance Commissioner for North Dakota; Spence Perry, former executive admin-



Photo by Nick Carlson/The Forum of Fargo, ND
Ice and snow combine with flood waters engulfing entire neighborhoods in Grand Forks, North Dakota in March of 1997.

istrator, Federal Insurance Administration (FIA); and Harvey Ryland, president and chief executive officer, Institute for Business and Home Safety. Federal Emergency Management Agency (FEMA) Director James Lee Witt, addressed the summit via a short video, pledging his support of the recommendations derived by the various

interest groups.

Prior to the Summit, the North Dakota Insurance Commissioner's office conducted a survey asking people if they knew about flood insurance and the reason they did or did not purchase it. Of the 3,300 surveys mailed, 1,200 responses were received. Some of the major findings from this survey showed that 95 percent of the people knew about flood insurance but only 20 percent actually purchased it.

Here is what policyholders considered to be important factors for purchasing flood insurance:

- 7.6 % Remember the 1993 Midwest floods
- 10.6 % Live in 100-year floodplain
- 14.7 % Took their insurance agents' advice
- 17.3 % Heeded newspaper and television ads
- 19.8 % Stated, "Neighbors convinced me"
- 21.4 % Saw flood hazard maps
- 45.7 % Live near a river

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Flood Insurance Manual Reprinted

The most recent editions of the Flood Insurance Manual and Producer's Edition were reprinted and distributed to subscription holders in October 1997. All revisions since the April 1996 printing, including the October 1997 program changes, have been incorporated into this printing.

The Flood Insurance Manual is a vital tool for those who write flood insurance. It provides the most current rates, instructions, and procedures used in writing policies for the NFIP. If you purchased a manual in April 1996 or after, you should have received a complete new manual plus the condensed Producer's Edition at no additional cost. You will continue to receive all future updates until Sept. 30, 1999.

The Producer's Edition may be purchased separately. The Producer's Edition is designed to be used only as a quick reference for agents and Customer Service Representatives, and for training purposes. It is not intended to replace the Flood Insurance Manual which is a complete guide to writing and servicing flood insurance. Future updates will not be made for the Producer's Edition.

To order a manual, including the condensed Producer's Edition, complete the order form on page 7 and mail it along with your personal check or money order to the address printed on the front of the form. Credit card orders can be faxed to 1-800-358-9620. **W**

The following acronyms are used throughout **Watermark**.

BFE	Base Flood Elevation
CRS	Community Rating System
DFO	Disaster Field Office
FRO	Flood Response Office
FEMA	Federal Emergency Management Agency
FIA	Federal Insurance Administration
ICC	Increased Cost of Compliance
NFIP	National Flood Insurance Program
SFHA	Special Flood Hazard Area
SFIP	Standard Flood Insurance Policy
WYO	Write Your Own

FEMA DISTRIBUTION CENTER
P.O. Box 2012
Jessup, MD 20794-2012
Telephone 1-800-480-2520
Fax 1-800-497-6378
Monday-Friday
8:00 am-5:00 pm EST

NFIP Co-op Program Extended Through September 1998

The NFIP co-op advertising program has been extended for another year, from October 1, 1997 through September 30, 1998. Through this program, insurance companies and agents can save 50 percent of their flood insurance advertising costs when they run an approved flood insurance print ad in newspapers, magazines, or Yellow Pages.

To improve this year's program the NFIP has made two changes based on suggestions from current co-op partners. First, the NFIP will consider sharing media costs for sources other than newspapers, magazines, and Yellow Pages. For instance, if an insurance company or agent would like to run an approved flood insurance television spot, (see WYO News on page 15) or use billboards, direct mail, or magazine inserts, the NFIP will review the request and make a determination on a case-by-case basis. These requests, as with all flood insurance co-op requests, must be submitted to the NFIP before the advertising runs.

The second change allows insurance agents and companies to include an approved sentence about other lines of insurance they sell within their flood insurance ad, and save 25 percent of their flood insurance advertising costs.

You can either create your own flood insurance ad or use one of the professionally designed ad slicks that are yours free through the NFIP. If you choose to customize your ad, you will need to send it to the Co-op Advertising Manager for pre-approval before you run it to be sure it qualifies for reimbursement.

If you have questions about the program call an NFIP Co-op Advertising Manager at 1-800-564-8236. If you would like to participate, complete the enclosed NFIP Co-op Advertising Approval Application form on page 8 and mail or fax a copy to:

NFIP Co-op Advertising Manager
Mr. David Larson
c/o Bozell Worldwide, Inc.
40 West 23rd Street
New York, NY 10010
Fax 212-557-2154

Remember, all co-op flood insurance ads and savings must be approved **before** the ads run. **W**

FEMA Map Service Center NFIP Flood Insurance Manual ORDER FORM

The Flood Insurance Manual provides rates, instructions, and procedures to be used in placing business with the NFIP. It features sections on:

General Rules Condominiums Flood Maps Rating
Claims Definitions CBRS and more.

For \$25.00 you will receive the manual, and all future updates until September 30, 1999, plus a condensed Producer's Edition. Producer's Editions are also available separately for \$15.00. To receive your copy of the manual and up-to-date information on the latest rates and program changes, complete this order form and mail it to:

**FEMA Map Service
Center
P.O. Box 1038
Jessup, MD 20794-1038**

or, you can Fax it, along with your credit card or
deposit account number to: 800-358-9620.

Please send me the following:

Inventory #	Quantity	
000148	_____	set(s) Complete Manual Set @ \$25.00 per set
000149	_____	1-2 copies of Producer's Edition @ \$15.00 each, (3 or more @ \$10.00 each)

(Note: Producer's Edition orders do not include updates)

Enclosed is my check for \$_____ made payable to the NFIP. I understand that I will receive all future updates and revisions until September 30, 1999, at no additional charge.

Please bill my: ☐ VISA ☐ MasterCard for: \$ _____

Card #: _____ Exp. Date: _____

Name: _____

Agency/Company Name: _____

Street Address: _____

City, State, ZIP Code: _____

Daytime Telephone: _____

Agent ID Number: _____

WYO NAIC Number: _____



NFIP CO-OP ADVERTISING APPROVAL APPLICATION
OCTOBER 97 - SEPTEMBER 1998

(please print)

Name _____

Company Name _____

Address _____ City _____ State _____ Zip _____

Phone () _____ Fax () _____ E-Mail _____

Newspaper and consumer magazine flood insurance ads must run no later than September 15, 1998. Invoices and tearsheets must be received no later than September 30, 1998.

Yellow Pages invoices and tearsheets must be received no later than September 15, 1998.

Custom flood insurance ads must be approved prior to appearing in print.

Complete a full line for each advertisement.

Ad #	Name of Newspaper/Magazine or Yellow Pages	Date of Ad	Size of Ad	Cost of Each Ad
1				
2				
3				
4				
5				
6				
7				

For Office Use Only:

Approved By: _____

TOTAL = _____

Date: _____

Amount Earmarked: _____

please send or fax this application to:

Mr. David Larson
c/o Bozell Worldwide, Inc.
40 West 23rd Street
New York, NY 10010
Fax: (212)557-2154

Your Signature _____

Date _____


ALLOW 2 WEEKS FOR PROCESSING. If you have questions, please call **1-800-564-8236**

Reference for the ICC

To help insurance agents and other(s) involved with the NFIP who may need a quick reference to the Increased Cost of Compliance (ICC), FIA has listed the principal features of the new coverage for you to use when explaining it to your customers.

Principal Features of ICC

Note: Parenthetical references are to the actual policy endorsement.

- | | | |
|--|--|---|
| <ol style="list-style-type: none">1. ICC coverage responds to the enforcement of a State or local land use requirement to bring a flood-damaged structure into compliance with certain floodplain management standards during the rebuilding process.2. The limit for ICC coverage is \$15,000.3. Only Standard Flood Insurance Policies (SFIPs) with building coverage will have ICC coverage. Structures insured under a Group Flood Insurance Policy or a condominium unit owner's policy are not eligible for ICC coverage. (Exclusions 11 and 12)4. The maximum amount collectible under the SFIP for both building coverage (Coverage A) and ICC coverage (Coverage D) cannot exceed the maximum amount permitted under the National Flood Insurance Reform Act of 1994, e.g., \$250,000 for a single-family dwelling.5. ICC coverage applies to new or renewal policies effective on or after June 1, 1997.6. Only structures in Regular Program communities are eligible for ICC coverage. Policies issued or renewed for structures while the community is in the Emergency Program are not eligible for ICC coverage. Once a community is converted to the Regular Program, these policies will be eligible for ICC coverage upon renewal with the payment of the ICC surcharge. (Exclusion 1)7. No separate deductible applies to ICC coverage. | <ol style="list-style-type: none">8. Appurtenant structures are not eligible for ICC coverage. (Exclusion 10)9. Only flood-damaged structures are eligible for coverage.10. Only those structures where flood damage meets the NFIP substantial or repetitive loss thresholds are eligible for ICC payments.11. Activities eligible for ICC payments are elevation, floodproofing, demolition, relocation, or any combination thereof.12. ICC payments will be made to bring a structure into compliance with State or community floodplain management laws or ordinances which require a structure to be elevated above the base flood elevation. (Eligibility, exception b)13. ICC payments will be made to bring a structure into compliance with State or local elevation requirements based on FEMA-issued advisory or preliminary base flood elevations which increase BFEs or change risk zones that add base flood elevations so long as such elevations are adopted by the State or community. (Eligibility, exception a)14. ICC payments will be made to comply with NFIP requirements to elevate a structure in an unnumbered A zone to an elevation based on the best available elevation data.15. ICC payments will be limited to only the cost to elevate a structure from the base flood elevation (applicable at the time of construction) to the current higher BFE if the structure was not originally built in compli- | <p>ance and if no variance was obtained for the original construction.</p> <ol style="list-style-type: none">16. ICC payments will be made to elevate a structure to the current BFE even though the structure was not originally built in compliance so long as a variance was obtained for the original construction.17. ICC payments will be made for demolition and any incremental costs to comply with elevation requirements for the structure during rebuilding at the same or another site.18. All non-residential structures are eligible for ICC payments in connection with floodproofing. Only residential structures with basements in communities that have been approved by the NFIP to floodproof basements in accordance with NFIP regulations at 44 CFR 60.6 (b) or (c) are eligible for ICC payments in connection with the floodproofing option. (1st paragraph)19. Repetitive loss structures are eligible for ICC payments when two conditions are met:<ol style="list-style-type: none">a. The community has adopted and is enforcing a cumulative substantial damage provision or repetitive loss provision in its floodplain management ordinance that requires action by the property owner; and,b. The property has a history of flood claims under the NFIP that satisfies the statutory definition of repetitive loss structure, i.e., two paid flood losses where the flood damage in a 10-year period averages 25 percent of the structure's value at the time of loss. (Eligibility 1)  |
|--|--|---|

Home and business owners can benefit from a new brochure available through the NFIP that explains the Increased Cost of Compliance endorsement in an easy-to-read format. You can receive free copies of this brochure by calling the FEMA Distribution Center (*see page 6*) at 1-800-480-2520, or faxing your request to 1-800-497-6378 and asking for document number 300.

ICC Training and Materials

Beginning in June, 1997, the National Flood Insurance Program (NFIP), Bureau and Statistical Agent conducted 11 Increased Cost of Compliance workshops in Jacksonville and Miami, Florida; Metairie, Louisiana; Charleston, North Carolina; St. Louis, Missouri; and Mobile, Alabama.

The overwhelming response to our workshop announcements indicated the need for more ICC training. In addition to this training the NFIP regional office staff received special training and they now incorporate the ICC training into each of their Agent and Lender workshops. The NFIP regional staff conduct flood insurance seminars for insurance agents and lenders, many of which are sponsored by trade associations, WYO companies, and state and local governments. They are also available to answer questions regarding flood insurance policies, procedures, claims, and other flood insurance matters. To find out when and where the next workshop will be held in your area, see "Just Around the Bend" on page 19. Call the NFIP Bureau and Statistical Agent in your area to register. (See foldout on last page.)

FIA has also produced a brochure for flood insurance policyholders about ICC that you can start using today. For copies, call the FEMA Distribution Center (*see page 6*) at 1-800-480-2520, or fax your request to 1-800-497-6378 and ask for document number 300. **W**



Montehiedras Mall in Rio Piedras, Puerto Rico, the site of the Hurricane Awareness Campaign.

OAST To COAST

New Facility for Cover America and Other NFIP Materials

All Cover America, NFIP Public Awareness Materials, and NFIP forms are now housed at a new facility called the FEMA Distribution Center. The Public Awareness Materials Order Form and the NFIP Supply Order Form have been updated to include all current NFIP materials. You can order these forms by calling the FEMA Distribution Center (*see page 6*) at 1-800-480-2520 or fax your request to 1-800-497-6378.

To order the Flood Insurance Manual, community status books, and flood insurance rate maps, continue to use the Map Service Center.

World Disaster Reduction Day

The Federal Emergency Management Agency (FEMA), the American Red Cross and a host of other government agencies supported World Disaster Reduction Day by promoting campaigns aimed at highlighting water-related disasters that strike communities across the United States each year.

World Disaster Reduction Day was introduced by the United Nations General Assembly in 1990 as an important element of the International Decade for Natural Disaster Reduction. The purpose of this annual campaign is to raise awareness worldwide about natural risks and how to prepare for and protect against them.

The theme "Water -- too much, too little: The leading cause of natural disasters" focused on the social and economic impact of water-related natural disasters such as floods, droughts, wild fires, tsunamis, hurricanes and severe thunderstorms.

CORRECTION: In the last issue of *Watermark*, we incorrectly stated that World Disaster Reduction Day is October 8. World Disaster Reduction Day is the second Wednesday of each October. We apologize for any confusion this may have caused.

Hurricane Awareness in Puerto Rico

Because of the devastating hurricanes that pounded Puerto Rico during the 1996 hurricane season, the National Flood Insurance Program (NFIP) Regional manager, Manny Ruiz, TV channel 2, the American Red Cross, and the Puerto Rico Civil Defense joined together to sponsor a Hurricane Awareness Campaign. Three 2-day events were held during July and August, 1997, at three different mall locations throughout Puerto Rico. Montehiedras Mall in Rio Piedras

was one of the sites, drawing more than 4,200 home and business owners over a 2-day period. Campaign organizers felt that, because of the multi-millions of dollars in damages and the loss of lives caused by Hurricane Hortense, people needed to know more about the treacherous forces of hurricanes and what they need to do in the future to save lives.

As of September 30, 1997, there were more than 40,600 flood insurance policies in force in Puerto Rico. This reflects a 28 percent increase in the number of flood policies since Hurricane Hortense struck the island on September 6, 1996. Campaign organizers are hoping for an even bigger increase in flood insurance policies as a result of the Hurricane Awareness Campaign. **W**

LENDER NEWS

Lender Compliance


The Federal Insurance Administration (FIA) has developed a procedure to assist lending regulatory bodies in enforcing the mandatory purchase requirements as stipulated in the National Flood Insurance Reform Act of 1994.

Each month, all Write Your Own (WYO) companies and direct business report policies that have a mortgagee identified and have been in an expired status for 120 days or more to the FIA through the NFIP Bureau and Statistical Agent. The Bureau and Statistical Agent is responsible for checking its flood insurance policy data files to determine if other policies have been written elsewhere providing coverage for these buildings.

The NFIP Bureau and Statistical Agent will then generate a report that identifies the ten lenders with the highest number of non-renewed policies. The FDIC Web page on the Internet lists the name and address of the lender institutions and the regulatory agencies, except the Farm Credit Administration. Using this information, the regulatory agency for each lender can be identified.

After obtaining this information, the NFIP Bureau and Statistical Agent will prepare a list of the names and addresses of the lenders, the policy numbers, and the names of the insureds and forward it to FIA for analysis before notifying the regulatory agency having jurisdiction over the lenders.

The regulatory agency will then review the data. If it is determined that a non-compliance issue exists, they will take the necessary steps to bring the lender(s) into compliance.

This procedure has been put in place to identify those lending institutions which are in non-compliance. Identification of the non-compliant lenders will be the first step to assure that coverage does not lapse and that both the property owner and the lender are protected against loss from flood. 

North Dakota Summit Reveals That More Training is Needed

continued from page 5

- 53.3% Believe that grants and loans would not be sufficient
- 89.3% Concern over record snowfall

Reasons people chose not to purchase flood insurance:

- 7.6% Stated that they did not know how to get it
- 7.6% Presumed disaster relief would be sufficient
- 7.7% Assumed homeowners policy covered floods
- 26.8% Stated, "Insurance agent convinced me I did not need flood insurance"
- 40.6% Were told that basement losses were not covered
- 51.1% Saw flood hazard maps and decided they did not need flood insurance
- 74.5% Did not think that a flood would damage their home
- 79.6% Blamed the National Weather Service for under-estimating the river crest

Summit organizers took this data and incorporated it into action items for discussion among the participants.

During the summit, participants organized into five groups to discuss the Grand Forks flooding. They were instructed to define the problem, identify actions/behaviors that went well, identify actions/behaviors that require improvement, and identify actions/behaviors that can be eliminated. From this, each interest group developed an action plan for which they will continue to report to the Summit Planning Committee throughout the year. Some of these action items are:

Training and Education

- FIA will: continue and enhance agent training seminars; emphasize local flood risk using Flood Insurance Rate Maps; alert agents to the assistance that local officials in CRS communities can provide; and emphasize the coverage that is provided in base-ments.
- FIA will also encourage FEMA Regional Offices to continue conducting local workshops for insurance agents, lenders, local officials, and citizens.

- Glenn Pomeroy will encourage Insurance Commissioners to: consider approving NFIP agent training classes for CE credit; consider adding flood insurance questions to agent licensing exams; communicate to agents regarding the need for flood insurance, reinforcing their responsibility to market flood insurance; and to designate an in-house flood insurance expert who would periodically assess agent involvement and understanding of flood insurance, assess consumer participation, and make recommendations for state decision-making process.
- Agents will: encourage education for agents, lenders, building officials, and consumers; and provide input for development of basic, intermediate and advanced programs.

Flood Mapping

- FIA will work with Mitigation Directorate to improve flood maps.

Lender Compliance


- FIA to continue emphasis on lender compliance.
- NLIC will develop and publish, "best practices" brochure.

Advertising and Public Relations

- FIA will continue the Cover America campaign and consider additional ways to localize messages and reach small businesses.
- WYO Marketing Committee will recommend that companies increase agent co-op advertising contribution.

Program Simplification and Enhancement

- FIA will encourage WYO companies to accept credit card payment for flood premiums.
- Agents will establish a task force to study means to include flood coverage in property insurance policies.

All groups agreed that training and education issues were at the top of the list of required improvements. They also agreed that training for agents and lenders is essential because many still feel that flood insurance is unnecessary, and may not encourage its purchase, leading consumers to believe "it can't happen to me." 

N HIGH GROUND

Flood Insurance Loss Assessment Coverage for Condominium Unit Owners

Bob Ross
Florida Association of Insurance Agents

In order for Loss Assessment coverage to be afforded to a condominium unit owner for damages as a result of flooding, that unit owner must purchase a National Flood Insurance Program (NFIP) Dwelling Policy with an amount of insurance applicable to the condominium building. A policy covering only the unit owner's contents will not provide Loss Assessment protection.

Under Article 4 - Property Covered - Coverage A - Building Property, Section B spells out the Loss Assessment features:

B. Or, we cover your single-family dwelling unit, including improvements therein owned solely by you, in a condominium building. We also cover your share of assessments made against you as a tenant in common in that building's common elements and the common elements of any other building of your Condominium Association covered by insurance that is:

1. In the name of your Condominium Association;
2. Provided under the Act; and
3. In an amount at least equal to the actual cash value of the building's common elements at the beginning of the current policy term or the maximum building coverage limit available under the Act, whichever is less.

Provided, with respect to coverage for single-family dwelling unit assessments:

1. Coverage is available only when each of the unit owners comprising the membership of the Association are also assessed by reason of the same cause and provided the assessment arises out of a direct physical loss by or from flood to the condominium building in which your unit is located or to another condominium building of the Association, as to which the condominium documents (Articles of Association, Declarations, and your Deed) impose upon you the

responsibility for such an assessment). The deductibles provisions of Article 7 of this policy do not apply to assessments.2. Assessments made by the Association to recoup the amount of a loss deductible incurred by the Association in connection with any condominium building or contents policy of insurance are not covered.

3. Assessments made by the Association in connection with loss of or damage to personal property, including any contents of any condominium building of the Association, are not covered.

4. Assessments made by the Association of a condominium building are not covered if the assessments are made to recoup loss not reimbursed to the Association, under a policy of insurance issued pursuant to the National Flood Insurance Program, by reason of the fact that the condominium building insured under such policy was not, at the time of the loss, insured in an amount equal to the lesser of 80% or more of the full replacement cost of the building or the maximum amount of insurance available under the National Flood Insurance Program.

To paraphrase, here are the salient points about Loss Assessment coverage in the Dwelling Policy:

1. All unit owners must be assessed for the same cause.
2. The assessment must be for direct physical loss by flood to the condo building in which the unit is located, or to another condo building of the Association for which the unit owner is responsible, and for which the proper amount of insurance has been carried; i.e., ACV or the maximum amount of flood insurance available.
3. Deductibles do not apply to assessment coverage.
4. Loss Assessment does not cover recoupment of the deductible.
5. Assessments made for damage to contents are not covered.
6. Assessments made to recoup the coinsurance penalty (when an inadequate amount of insurance is carried) are not covered.

Then the question arises: If the Residential Condominium Building Association Policy (RCBAP) is

written as it should be (with an amount of insurance equal to at least 80% of the replacement cost), why would a unit owner want to carry additional building coverage in a Dwelling Policy?

[EDITOR'S NOTE: Remember, unlike Florida's law pertaining to condominium insurance, the RCBAP covers all of the additions and alterations (all the structural items) within each of the unit owners' apartments. Under the RCBAP the Association has the responsibility for insuring wall, floor and ceiling coverings, electrical fixtures, appliances, built-in cabinets, etc. whereas the responsibility may vary in package policies written by the private carriers.]

There are several reasons for a unit owner carrying additional building coverage, but we have to admit none of them will necessarily light fires under the unit owner who is paying the premium.

Here they are:

1. If less than 100% of replacement cost is carried in the RCBAP, and there is a total loss to the building by flood [storm surge, collapse caused by erosion, mudslides (but probably not in Florida)], then loss assessment could pick up the difference.
2. The unit owner may have an undivided share in other residential buildings in the condominium complex (in which the unit owner does not live), and there may be insufficient insurance on one or more of those buildings (so long as they are insured to an appropriate amount in the NFIP), then loss assessment could pick up the shortfall.
3. The unit owner may have an undivided share in a nonresidential building, such as a recreation building, a utilities building or a storage building. If the building value exceeds the amount of available flood insurance, then loss assessment could plug the gap.

Here's an example:

Let's suppose we have a 50-unit condominium building with a replacement cost of \$7,500,000. To comply with the coinsurance clause in the RCBAP, we can carry 80% of

that, or \$6,000,000. And . . . we also have in the condo complex a utilities building which services the entire Association. It houses the air conditioning system, the swimming pool equipment, etc. It has an actual cash value of \$600,000. We use ACV because it is nonresidential and does not qualify for the RCBAP . . . thus no replacement cost is available. Furthermore, since it is nonresidential it must be written on a General Property policy form and the maximum available amount of insurance for such a building is \$500,000. Now suppose

there is a flood loss to the utilities building . . . and it's totaled to the ground. The Association collects the \$500,000 under its General Property contract, and then assesses the unit owners for the remaining \$100,000 of damage. And let's say (simply for ease of calculation) that the interests of all unit owners are equal, and each unit owner, therefore, is assessed \$2,000. Any of the unit owners carrying a Dwelling Policy with at least \$2,000 of coverage on the residential condominium building in which they live, will have their assessment paid

for by the Dwelling Policy.

Plus one final reminder: Loss Assessment will not pay for:

- 3 Deductibles
- 3 Personal Property
- 3 The coinsurance penalty and the unit owner may not benefit from more than \$250,000 in total building loss payment through the combination of the unit owner's Dwelling Policy and the Association's Residential Condominium Building Association Policy (RCBAP). **177**

New Fact Sheet for Consumers

A new fact sheet containing ten of the most important facts consumers need to know about flood insurance is now available from the National Flood Insurance Program. Tailored for use with either low- or high-risk area residents, the fact sheet can be ordered at no cost by calling the FEMA Distribution Center at 1-800-480-2520 or faxing your request to 1-800-497-6378.

Top 10 Facts

1. Everyone lives in a flood zone.

- You don't need to live near water to be flooded.
- Floods are caused by storms, melting snow, hurricanes, and water backup due to inadequate or overloaded drainage systems, dam or levee failure, etc.

2. Flood damage is not covered by homeowners policies.

- You can protect your home, business, and belongings with flood insurance from the National Flood Insurance Program.
- You can insure your home with flood insurance for up to \$250,000 for the building and \$100,000 for your contents.

3. You can buy flood insurance no matter what your flood risk is.

- It doesn't matter whether your flood risk is high, medium, or

low, you can buy flood insurance as long as your community participates in the National Flood Insurance Program.

- And, it's a good idea to buy even in low or moderate risk areas: between 25 and 30 percent of all flood insurance claims come from low- to moderate-risk areas.

4. There is a low-cost policy for homes in low- to moderate-risk areas.

- The Preferred Risk Policy is available for just over \$100 a year.
- You can buy up to \$250,000 of coverage for your home and \$60,000 of coverage for your contents.

5. Flood insurance is affordable.

- The average flood insurance policy costs a little more than \$300 a year for about \$100,000 of coverage.
- In comparison, a disaster home loan can cost you more than \$300 a month for \$50,000 over 18.5 years.

6. Flood insurance is easy to get.

- You can buy NFIP flood insurance from private insurance companies and agents; call yours today!
- You may be able to purchase flood insurance with a credit card.

7. Contents coverage is separate,

so renters can insure their belongings too.

- Up to \$100,000 contents coverage is available for homeowners and renters.
- Whether you rent or own your home or business, make sure to ask your insurance agent about contents coverage. It is not automatically included with the building coverage.

8. Up to a total of \$1 million of flood insurance coverage is available for non-residential buildings and contents.

- Up to \$500,000 of coverage is available for non-residential buildings.
- Up to \$500,000 of coverage is available for the contents of non-residential buildings.

9. There is usually a 30-day waiting period before the coverage goes into effect.

- Plan ahead so you're not caught without flood insurance when a flood threatens your home or business.

10. Federal disaster assistance is not the answer.

- Federal disaster assistance is only available if the President declares a disaster.
- More than 90 percent of all disasters in the United States are not Presidentially declared.
- Flood insurance pays even if a disaster is not declared.

PERSPECTIVES

The Role of the General Adjuster

We recently received a letter from one of our readers who wanted to know what were the functions of the General Adjusters for the National Flood Insurance Program, and if they are involved with other lines of insurance.

The answer is that National Flood Insurance Program (NFIP) General Adjusters (GAs) handle only flood related functions. These functions, described below, are demanding and time consuming.

Flood Surveys

When a flooding situation appears imminent, the NFIP GAs immediately begin to monitor the event through telephone polling of Write Your Own (WYO) companies, and emergency management officials in the affected area(s). They also collect data from the Internet, and monitor The Weather Channel.

Immediately after, and sometimes during, significant flooding events, the GAs are deployed to the affected area(s) to begin a field survey. They will assess the impact that flooding and potential weather conditions may have on NFIP policyholders. If the area(s) have received substantial damage, with FIA's authority, a Flood Response Office (FRO) will be established in close proximity of the flooding. Working out of the FRO, the adjusters are then tasked to conduct reinspections for the WYO companies, assist the Federal Emergency Management Agency (FEMA), attend and participate in community and town meetings, assist FEMA's Office of Inspector General (OIG) with special investigations, conduct educational workshops, and discuss regional concerns, e.g., condominium, coastal barriers, etc..

Hurricane Response

The NFIP GAs begin tracking the course of storms when they are classified as a Tropical Depression. From that point the storm's intensity is closely monitored, and the staff is placed in a state of readiness.

The GAs are tasked to conduct the initial damage assessment and depending on the magnitude of the storm several GAs may be deployed to various locations within a state or to a different state to await the storm's landfall. The majority of the time the GAs are deployed within 24 hours of the storm's landfall. Once the storm has passed, the GAs will travel to the damaged areas for which they have been assigned and meet with Civil Defense, state and local officials, FEMA, police and fire departments. They document the hardest hit areas and make special note of the areas that are not protected by flood insurance. Also, they must report the types of construction that were damaged such as condominiums, elevated buildings, mobile homes, etc., and record water heights and length of time the areas were inundated. This information is compiled and submitted to FIA, where staff calculate the impact, in terms of dollars, the storm will have on the NFIP.

Establishing a Flood Response Office

During the initial onsite survey of the affected area, the GAs will consider locations for establishing a potential FRO. Information gathered will include such factors as office space availability, telephone service, and selecting an area where there is the most claim exposure. Coordination with FEMA is essential. Another main factor in establishing a FRO is the accessibility by the public, the proximity to independent adjusters, and other officials. Depending on office space availability, the NFIP GAs will often share quarters with the FEMA Disaster Field Office

(DFO) Mitigation Division.

Workshops

The Claims Department is required to conduct a minimum of 23 workshops annually. These workshops are conducted throughout the U.S. in areas where adjuster resources are prominent and where recent flooding events have occurred. One-day sessions include a complete overview of the Dwelling, General Property, and Residential Condominium Building Association policies, adjuster discipline, adjuster duties to the insured, reporting requirements, and other issues. The GAs also conduct special workshops each year at the National Hurricane Conference, National Flood Conference, and the Governor's Hurricane Conference. They also conduct specialized training sessions for independent adjusting firms upon request. The FEMA OIG often attends the regularly scheduled workshops and speaks with the adjusters about reporting potential fraud cases.

Special Investigations

The NFIP GAs assist the FEMA OIG with losses that appear to be misrepresented and are often required to testify on court cases.

Depending on the region, there are many areas that have problems such as coastal barriers, rising lakes, erosion, mudslides, even landslides that the GA is required to investigate the cause of the damage. This is done through the use of an engineer, local officials and FEMA. Damaged areas are surveyed, photographed, and documented. Reports are then compiled and distributed to the appropriate parties.

If you have a question you would like answered here, please send it to:

Amie Coxon Ware

Federal Emergency Management Agency
Federal Insurance Administration
Room 441
500 C Street, SW
Washington, D.C. 20472
Fax (202) 646-3689



ONFLUENCE

1998 National Flood Conference Slated for Atlanta

Thirty years ago, in 1968, Congress passed the National Flood Insurance Act making Federal flood insurance available to residents in communities which adopt and enforce floodplain management ordinances. Throughout the years,

N F I P




many changes have been made to the program. To find out about the most recent changes and to take an active role in improving the program, your attendance at the 1998 National Flood Conference is a must. The theme for the 1998 conference is: Braving the Storm: NFIP 1968 - 1998.

The conference is intended to educate and train people involved with the NFIP about the current rules, regulations and benefits of flood insurance. It is attended by representatives from the insurance industry, lending industry, flood zone determination companies, and Federal, state and local government agencies, as well as claims adjusters, appraisers, Realtors, and other interested parties.

The 1998 National Flood Conference will be held at the Renaissance Waverly Hotel in Atlanta, Georgia, May 31 through June 4, 1998. The conference offers something for everyone. There will be motivational speakers, interactive sessions, and educational workshops. There will also be ample opportunity to ask questions and get the answers you have been looking for. The workshops are designed to give everyone information that they will be able to take home and use. Several of the workshops will be repeated so that conference attendees can arrange their schedules to attend those workshops they feel are best suited for their individual needs.

The agenda for the 1998 conference is based on the response to comments and suggestions we received from the 1997 conference attendees. Many of you asked for more interactive panel discussions and workshops with more time for questions and answers. Many wanted to hear what other agents/lenders/mortgage companies have done to solve problems or resolve certain situations similar to theirs. Lenders especially have requested more information concerning the requirements placed on them as a result of the National Flood Insurance Reform Act of 1994.

We are working to meet your expectations. Now it's up to you! No matter how much planning and scheduling we do to make this information available it's no good without your participation. We urge you to attend and get important information you need to serve your customers. We take great pride in what we have accomplished with you over the past 30 years, and we look forward to braving another 30 years of storms with you.

For further up-to-date information on the conference agenda, visit our website at <http://www.fema.gov/nfip>. Registration materials for the 1998 conference will be available in March. If you do not receive a registration package, and you want to attend the conference, you can email your request to Becky Reardon at: beckyreardon@fema.gov, or fax it to: 301-918-1471. 

EWS

Earlier in this *Watermark* issue (page 6) we explained how the Co-op Advertising Program works and how you can make it work for you. Here's a prime example of an approved television ad created and produced by Travelers Property Casualty.

Travelers Property Casualty Television Commercial Promotes Benefits of Flood Insurance Program

Dennis S. Schain
Director, Media Relations,
Business Communications

Travelers Property Casualty Corporation has taken to the airwaves to spread the word about the importance of flood insurance.

A 30-second television spot produced by this Hartford, Connecticut-based insurance company lets property owners know that they can purchase insurance to protect themselves from damage caused by floods. The commercial was designed to air on local stations through the sponsorship of independent agents who sell Travelers insurance. The spots are tagged with the name and phone number of the sponsoring agency.

The commercial was tested in four markets -- Beaumont, Texas; Naples, Florida; Raleigh, North Carolina; and New Orleans, Louisiana -- with the support of the National Flood Insurance Program. Recently it has aired in Santa Monica and Sacramento, California, where the threat of flooding has increased due to weather patterns caused by El Niño.

The Travelers commercial opens with scenes of a heavy rain storm. A young homeowner turns to his wife and tells her he wants to check outside to see if it is flooding. The woman urges him to 'be careful.' The man replies, "Don't worry, hon. I've got my umbrella." This entire segment of the spot is in black and white, except for the well-known red of the Travelers umbrella.

When the man steps outside and opens his umbrella, the rain stops and

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ENCHMARKS

NFIP Leads Program Works

The NFIP Leads Program, developed to provide people who respond to the Cover America advertising campaign with the name of an insurance agent in their area if they need one, has been in existence for more than two years. While many of the people who call the NFIP Telephone Response Center (TRC) often already have an agent, we are successfully matching callers with agents who have signed up for the program. Below is a recent example of how this program is working.

Mr. Clark writes "I have been trying to purchase flood insurance for over a month but am not able to get the necessary information from the Los Angeles County Building Department as to what zone we are in. We are in the county area, not an incorporated city. Any suggestions how I can get this insurance as you suggest?"

The query was fielded by Harriette Kinberg, Chief, Marketing Division, Federal Insurance Administration (FIA), who informed Mr. Clark that insurance agents who write flood insurance are supposed to determine the flood insurance zone and provide the corresponding premium rate. She went on to suggest that he should contact the NFIP TRC and ask for the name and telephone number of an agent within his zip code or surrounding area who sells flood insurance.

Taking this advice, Mr. Clark called the TRC toll-free number and was given the name and telephone number of an agent near him. Soon after, he wrote the following to Ms. Kinberg:

"Thanks for the 800 number. I called it today, they gave me the

name and number of the Ralph Weaver Agency in Arcadia, California and 10 minutes later the staff at the agency had given me all the information I needed. They are sending me the application in the mail today and in a few days I will be the proud owner of a National Flood Insurance Policy and perhaps have a new agency to handle all my insurance needs. Keep up the excellent work!"

Thanks to Harriette Kinberg, the staff at the TRC, and the Ralph Weaver Insurance Agency, Mr. Clark was able to get the flood insurance coverage he desired.

The Co-op Advertising Program Can Work for You

Since the Cover America Campaign began a little more than two years ago, more and more people are recognizing the need for flood insurance. And you can reach people in your hometown through the NFIP Co-op Advertising Program.

Through the co-op program, the NFIP will share the cost of flood insurance advertising with insurance agents and companies. Through the first two years of the program, 397 agents and companies have taken advantage of our offer. This accounts for more than 1,200 newspaper ads in 233 publications, and 60 yellow pages display ads.

If you are not taking advantage of this program, maybe it's time you do! Here's what some NFIP Co-op Advertising partners have to say about the program.

"I love the fact that the NFIP pays for 50 % of my flood ad costs... I just get so much more exposure."

*Steve Fusco
Steve Fusco Insurance
Arlington, Texas*

"We have had an increase in the amount of flood policies that are a direct result from our flood advertisements, and we expect to see more."

*Bob Lamkins
Redland Insurance
Omaha, Nebraska*

"It is a win-win situation."

*Carmen Farinelli
Farinelli Insurance
Lindenwold, New Jersey*

"I've written more flood insurance this year than in my 20-year career, and the NFIP Co-op Program has played an important role in that increase."

*Mary McClure
McClure Insurance
Mankato, Minnesota*

"...we have increased our business and continue to receive inquiries about flood insurance... Without the NFIP Co-op Advertising Program we would not be able to do the type of advertising we've been doing and we would not have been able to advertise for as long."

*Sean Culhane
Culhane & King Insurance
East Northport, New York*

If you are participating in the NFIP Co-op Advertising Program and would like to tell us how the program has helped you in your business, please send a fax to 212-557-2154. It is important to us to know how well the program functions. If you want to participate in the NFIP Co-op Advertising Program or if you want additional information call our program manager at 1-800-564-8236.



MAJOR FLOODS AND FIELD NOTES

EVENT/ DATE	STATES AFFECTED	POLICIES IN FORCE (Statewide)	POLICIES IN FORCE (Affected Area)	LOSSES PAID	DOLLARS PAID IN LOSSES	% OF LOSSES CLOSED
GENERAL FLOODING Dec. 28, 1996 - Jan. 10, 1997	California	239,654	131,538	1,765	36,849,762	96.9
GENERAL FLOODING Dec. 30, 1996 - Jan. 4, 1997	Idaho	4,315	422	19	902,272	96.2
	Nevada	10,966	2,539	338	18,588,896	99.8
	Oregon	16,547	3,985	182	2,029,184	99.5
	Washington	20,345	5,812	79	1,102,973	91.0
GENERAL FLOODING Feb. 28, 1997 - Mar. 10, 1997	Arkansas	11,926	4,730	22	231,053	85.7
	Indiana	23,327	2,480	421	8,974,243	99.1
	Kentucky	16,930	13,944	3,294	73,678,053	94.3
	Ohio	28,986	5,054	763	13,444,696	96.8
	Tennessee	11,881	2,700	87	1,062,829	97.9
	West Virginia	16,813	8,510	535	7,424,193	98.1
GENERAL FLOODING Mar. 21, 1997 - Apr. 26, 1997	South Dakota	4,209	4,209	458	7,210,979	94.9
GENERAL FLOODING Mar. 21, 1997 - May 27, 1997	Minnesota	12,382	6,233	2,723	55,759,316	98.1
GENERAL FLOODING Apr. 2, 1997 - May 27, 1997	North Dakota	10,231	10,231	3,812	83,600,991	96.9
GENERAL FLOODING Jun. 20, 1997 - Jun. 26, 1997	Texas	263,744	10,051	278	6,904,885	87.3
	Wisconsin	10,597	2,065	568	6,165,005	95.8
HURRICANE DANNY July 18, 1997 - Jul. 21, 1997	Alabama	30,600	20,727	518	7,794,531	89.0
	Louisiana	325,629	102,067	190	1,677,632	85.4
	Mississippi	40,122	18,561	10	110,299	85.7
GENERAL FLOODING Jul. 28, 1997 - Aug. 1, 1997	Colorado	13,564	1,786	40	381,677	74.6
GENERAL FLOODING Aug. 20, 1997 - Aug. 24, 1997	New Jersey	157,825	118,494	123	600,031	42.9

World Weather Orchestrated by El Niño

Largest Climatic Event of the Century

Given the National Oceanic and Atmospheric Administration's (NOAA's) El Niño predictions for heavy rainfall this winter, the FIA/NFIP ran radio advertisements promoting flood insurance for three

consecutive weeks in Los Angeles, San Francisco and San Diego, California during the month of September, 1997. The El Niño media hype, coupled with the flood insurance advertising caused the daily call volume to the NFIP toll-free telephone number to double, and on some days, triple. Because of the public interest, we will continue our radio advertising efforts in California, other West-

ern States, and in the Gulf and Southeastern United States.

Weather experts are warning that an unprecedented number of global calamities could occur as a result of the El Niño weather pattern forming in the Pacific Ocean. El Niño, Spanish for "The Child" is more commonly referred to as "The Christ Child" because of its historic arrival

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World Weather Orchestrated by El Niño

continued from page 17

toward the end of December.

El Niño phenomena is a periodic warming of the waters of the Pacific Ocean that begins near Australia and slowly moves eastward toward South America causing climatic abnormalities around the world. The system may cause severe flooding in California, Arizona, Texas, and other states as it continues across the lower part of the United States and Mexico. This event causes a temporary change in world wide weather patterns often causing searing droughts in Brazil, Africa, and Australia, while at the same time generating enormous thunder storms in the Pacific Ocean. This shift in the weather pattern is also historically known to cause a decrease in hurricane activity in the Atlantic.

Scientists are predicting this year's El Niño to be the largest climatic event of the century, and possibly the largest in over 150 years. To help prepare for this unprecedented event, FEMA Director, James Lee Witt, announced a new approach to emergency management at the El Niño Community Preparedness Summit in Santa Monica, California on Oct. 14, 1997. This new approach involves a move from the current reliance on response and recovery to one that emphasizes preparedness and disaster management.

Witt noted that the gathering in Santa Monica represented a model for the new approach. "We're here today to do something that's unusual, and it shouldn't be," he said. "We're here to plan for a potential disaster. We're working together to protect and minimize the loss of lives and property...[we're here] to collectively share the common sense preparedness and prevention efforts that will reduce the effects we anticipate that we may face from El Niño."

FEMA's new Project Impact initiative (see cover story) includes a national awareness campaign, for pilot communities around the U.S. that demonstrate the benefits of disaster mitigation, and conduct outreach

efforts to businesses and communities who use the new Project Impact Guidebook. The Guidebook offers a formula communities can follow to become "disaster resistant." Information released by FEMA at the Summit includes disaster prevention and preparedness tips for individuals, communities and businesses. To order El Niño Individual, Business and Community Preparedness Packages, call FEMA at 1-800-480-2520 or fax your request to . For updates and links to other emergency preparedness organizations, visit FEMA on the Internet at <http://www.fema.gov>.

To help your customers prepare for El Niño and other potential disasters, make sure you provide them with the following information:

Disaster prevention and preparedness tips

For Individuals

- Purchase flood insurance to cover the value of your home and its contents. Call your insurance agent or 1-800-427-4661 for flood insurance information.
- Move your valuables, appliances, electric panels and utility meters to upper floors so flood waters won't damage them.
- Have a family disaster supply kit in your home, including plenty of pure water, a first aid kit, a flashlight and fresh batteries, warm blankets and a battery-operated radio.
- Have a family disaster plan, including evacuation plans.
- Have an emergency kit in your car that includes the same items you have in your home disaster supply kit, plus an adequate supply of your prescription medicines.
- Keep your car full of gas and have plenty of spare cash. Gas pumps and ATMs won't work without power.
- To reduce your risk from wildfire events, remove shrubs and other landscaping away from the sides of your home, and install tile or flame-retardant singles on your roof.

For Businesses

- Develop a business interruption plan and implement mitigation strategies to minimize the loss of jobs and business activity.
- Line up alternate vendors for essential supplies and equipment. Have back-up equipment identified and know its availability. Sign contracts on these items, if necessary, to avoid last-minute rushes.
- Encourage local community prevention efforts that reduce the risk to critical local infrastructures like electricity, water, and roads that are necessary for the continued operation of your business.
- Purchase applicable insurance and know your assets. Standard insurance does not include earthquake or flood insurance.
- Develop a plan to help your business recover after a disaster. Call the FEMA Distribution Center (*see page 6*) at 1-800-480-2520 or fax your request to 800-497-6378 to order the Emergency Management Guide for Business and Industry.

For Communities

- Remove debris from, in, and around culverts and local streams to allow the free flow of potential floodwaters in the culverts.
- Local elected officials should learn the procedures for obtaining state and federal assistance in the event of an emergency.
- Government agencies need to make sure that their communications systems are operational and working on the same frequencies and systems.
- Conduct intensive training for emergency responders. State emergency management operations, in partnership with FEMA, have excellent training packages.
- Conduct emergency management exercises to allow those who would need to respond in an emergency to work out a system and procedures.

JUST AROUND THE BEND...

MONTH/YEAR	WORKSHOP/MEETING	DATE	LOCATION
FEB. 1998	NCBPT Conference	2/4-2/6	St. Petersburg, FL
	Agent & Lender	2/10	Salisbury, MD
	Agent & Lender	2/10	Redding, CA
	Agent & Lender	2/18	Dover, DE
	MBA-National Mortgage Servicing Conference	2/18-2/20	New Orleans, LA
MAR. 1998	Agent & Lender	3/3	Alhambra, CA
	Agent & Lender	3/5	Long Beach, CA
	Agent & Lender	3/11	Lynchburg, VA
	NAIC Quarterly Meeting	3/14-3/18	Salt Lake City, UT
	Agent & Lender	3/24	Frederick, MD
APR. 1998	Agent & Lender	3/26	Baltimore, MD
	PLRB Conference	4/6-4/8	Chicago, IL
	National Hurricane Conf.	4/6-4/10	Norfolk, VA
MAY 1998	Agent & Lender	4/9	Martinez, CA
	Agent & Lender	5/7	Las Vegas, NV
	ASFPM Conference	5/18-5/22	Milwaukee, WI
	National Flood Conference	5/31-6/4	Atlanta, GA
JUN. 1998	ABA Compliance Conf.	5/31-6/2	San Diego, CA
	Governor's Hurricane Conf.	6/1-6/4	Tampa, FL
	MBA Conference	6/3-6/5	San Francisco, CA
	Agent & Lender	6/16	Tucson, AZ
	NAIW	6/17-6/20	Orlando, FL
	Agent & Lender	6/18	Phoenix, AZ
JUL. 1998	NAIC	6/20-6/24	Boston, MA
	SITE	6/27-7/1	Boca Raton, FL
	Agent & Lender	7/8	Riverside, CA
AUG. 1998	Agent & Lender	7/21	Orange, CA
	Agent & Lender	8/4	Santa Barbara, CA
	PIA Conference	8/6-8/8	Orlando, FL
SEP. 1998	Agent & lender	8/20	San Jose, CA
	NAIC Quarterly Meeting	9/12-9/16	New York, NY
	Agent & Lender	9/24	Reno, NV
	IIAA Conference	9/25-9/28	Boston, MA

The following acronyms are used in the above calendar of events.


ABA American Bankers Association	NAIW National Association of Insurance Women
ASFPM Association of Floodplain Managers	NCBPT National Conference on Beach Preservation Technology
IIAA Independent Insurance Agents of America	PIA Professional Insurance Agents of America
MBA Mortgage Bankers Association	PLRB Property Loss Reduction Bureau
NACA National Association of Catastrophe Adjusters	SITE Society of Insurance Trainers and Educators
NAIC National Association of Insurance Commissioners	

WYO NEWS

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the sun comes out through the clouds. The black and white footage then yields to full color as the narrator says, "While we can't promise to make it stop raining, we can promise that if you or your business is insured with Travelers flood insurance we will be there for you when you need us the most." The scene then switches to a Travelers catastrophe team symbolically passing the Travelers red umbrella to a family.

The television spot was written and produced by the Business Communications department of Travelers Property Casualty.

Insurance agents interested in using the commercial, and agents and customers interested in details of flood insurance through Travelers program with the NFIP, should contact the Travelers marketing office at 1-800-713-3566. 

In Memoriam

I am sad to report the death of Roy Short, Vice President NLIC, Vice President, Bank United. Roy died August 13, 1997 at the age of 68.

One of the originators and charter members of NLIC, Roy believed strongly in the group's vision and mission. During these early years of NLIC, when funding and interest from within the lending industry has been difficult to come by and recognition has been stronger from outside the industry than from within, Roy encouraged and reminded us that we have worthy and necessary goals. He believed that the lending industry and its supporters need to focus on protecting customers and investors from insurable losses while keeping affordable insurance in place. This could be accomplished by educating ourselves and establishing open dialogue with government and the insurance industry.

Just before his death, Roy joined other NLIC board members at the Flood Summit held in Grand Forks, North Dakota. Roy sought out those people whose lives had been changed forever because of the Red River Valley flood and asked what could have been done better, encouraging us all to seek positive solutions.

Roy devoted much time, talent, and personal resources to NLIC. A 'straight talker,' never shy of voicing his position but always ready to let others voice theirs, Roy had a great sense of humor and a ready smile. A capable spokesperson for the NLIC causes, he will be missed.

Michael J. Moya

President,

NationsBanc Insurance Services, Inc.

NFIP

TELEPHONE NUMBERS

NUMBER	SERVICE
800-638-6620	DIRECT BUSINESS
800-720-1093	AGENT INFORMATION AND LEADS PROGRAM
800-427-4661	GENERAL INFORMATION
800-611-6125	LENDER INFORMATION
800-427-5593	TDD
800-358-9616	FEMA FLOOD MAPS, FLOOD INSURANCE MANUAL
800-480-2520	NFIP FORMS AND PUBLIC AWARENESS MATERIALS
800-564-8236	CO-OP ADVERTISING PROGRAM
202-646-FEMA	FEMA FAX— PROGRAM INFORMATION

REGIONAL OFFICES

TELEPHONE NUMBERS

REGION	FEMA	NFIP BUREAU AND STATISTICAL AGENT
REGION I CT, MA, ME, NH, RI, VT	617-223-9566	781-848-1908
REGION II NJ, NY	212-225-7200	732-603-3875
REGION II-S PUERTO RICO, VIRGIN ISLANDS	212-225-7225	787-782-2733
REGION III DC, DE, MD, PA, VA, WV	215-931-5506	609-489-4003
REGION IV AL, FL, GA, KY, MS, NC, SC, TN	404-853-5414	770-396-9117
REGION V IL, IN, MI, MN, OH, WI	312-408-5546	630-955-4550
REGION VI AR, LA, NM, OK, TX	940-898-5136	281-531-5990
REGION VII IA, KS, MO, NE	816-283-7006	913-780-4247
REGION VIII CO, MT, ND, SD, UT, WY	303-235-4912	303-393-1698
REGION IX AZ, CA, GUAM, HI, NV	415-923-7100	916-334-1720
REGION X AK, ID, OR, WA	425-487-4679	425-646-4908